

DEPARTMENT OF REAL ESTATE

STRATEGIC PLAN

2005/2006



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EXECUTIVE SUMMARY

This Strategic Plan has been prepared to help guide the Department's executive management as they continue the course set for the Department of Real Estate's (DRE) future. In developing the Plan, DRE's Executive Staff integrated the needs of consumers and the real estate industry and incorporated the core elements of the Business, Transportation and Housing Agency's Performance Improvement Initiative process.

The plan contains four major goals upon which the Department will focus its efforts during the next three years. To achieve these goals, specific objectives have been identified. Incorporated into each objective is a plan for monitoring and measuring performance, which will be used to gauge success and accountability. In achieving these goals, the Department will continue to reduce processing timeframes, extend transparency of government, and ensure succession planning and skill replacement.

Challenges to accomplishing the Plan's objectives include the continuing need to address an increasing workload resulting from a favorable real estate market, and evolving industry trends and demands. To help mitigate these challenges, key concepts such as streamlining procedures and processing, identifying and implementing improved efficiencies, and expanding technology have been interwoven throughout the objectives set forth in the Plan.

In summary, the Plan provides a blueprint for accomplishing objectives which are aimed at improving operational efficiency, increasing service levels to the real estate industry, and enhancing consumer protection for California's growing and diverse population.



DEPARTMENT DESCRIPTION

The Department of Real Estate's core functions are to administer license examinations, issue real estate licenses, regulate real estate licensees, and qualify subdivision offerings.

The DRE is a special fund agency which derives virtually all its revenues from examination, license and subdivision fees. It has limited authority to fine and as a result, regulatory related fines comprise less than one-half of one percent of the Department's budget. Fines collected by the Department are paid into the Recovery Account to help compensate victims of real estate fraud.

DRE maintains five offices: Sacramento, Oakland, Fresno, Los Angeles, and San Diego, and as of June 30, 2005, has 303 authorized positions. Currently, there are approximately 440,000 real estate licensees in California, compared with a high of 375,000 licensees in 1992 and a low of 298,000 in 1998.

The Real Estate Commissioner is the chief executive officer of the Department of Real Estate. It is the Commissioner's responsibility to determine administrative policy and enforce the provisions of the Real Estate Law for the protection of the public. The Commissioner is appointed by the Governor and reports directly to the Secretary of the Business, Transportation & Housing Agency.

The DRE is divided into various divisions which are managed by program chiefs (Assistant Commissioners), who report directly to the Commissioner and the Chief Deputy Commissioner. These divisions are as follows: Licensing, Enforcement, Legal, Audits, Subdivisions, and Administrative Services, which consists of IT, Fiscal and Human Resources.

DIVISION DESCRIPTIONS

LICENSING:

If a person wishes to engage in the real estate business and act in the capacity of, advertise as, or assume to act as a real estate broker or salesperson within California, a real estate license must first be obtained from the DRE.

Before a real estate salesperson applicant may obtain a license, he or she must apply for and pass a real estate examination and fulfill certain educational requirements. A broker applicant, in addition to the required education, must also have two years of licensed salesperson experience (or the equivalent) before applying for the exam. Broker and salesperson licenses are issued for a four year period. In general, both types of licenses may be renewed by submitting the appropriate application and fee, along with evidence of completion of 45 hours of DRE-approved continuing education courses (including required courses in Ethics, Agency Relationships, Trust Fund Handling and Fair Housing).

ENFORCEMENT:

The Enforcement Section is the investigative division of the DRE. The Real Estate Law provides that either upon receipt of a verified written complaint, or on his/her own motion, the Commissioner may investigate the actions within the jurisdiction of the Department, of any person acting in the capacity of a real estate licensee within California.

To investigate these complaints, the Department maintains five Enforcement offices: Oakland, Sacramento, Fresno, Los Angeles, and San Diego. The staff in these offices administer the law through the investigation of consumer complaints against licensees, the investigation of alleged subdivision violations, and the qualification of applicants for real estate licensure. Staff also conducts investigations of unlicensed persons who may be performing activities for which a real estate license is required.

The primary purpose of the Department's investigations is to determine whether or not a violation of the Real Estate Law has occurred. If the evidence gathered by the assigned investigator indicates that a violation has occurred, a staff attorney will review the file for legal sufficiency in anticipation of filing an Accusation against the licensee. An Accusation is a formal accusatory pleading informing the licensee of the alleged violations and the intention of the Department to discipline his or her license if the violations are proven at an administrative hearing.

Mortgage Loan Activities:

The Mortgage Loan Section monitors mortgage loan activity through required business and trust account reports submitted by real estate brokers who meet certain threshold criteria. Mortgage loan advertising is reviewed on a statewide basis in all media, and educational materials are prepared and made available by this unit to both brokers and consumers. Also, consumers are assisted with problems incurred with lenders and brokers in mortgage loan transactions and if violations are discovered, they are referred to the Enforcement Section for investigation.

The Mortgage Loan Section is the primary liaison with mortgage trade organizations and other state and federal agencies enforcing laws relative to mortgage loan activity.

AUDITS:

The mission of the Audit Program is to protect the consumer through financial compliance audits of real estate licensees and subdivision developments. The primary focus of DRE audits is the handling of trust funds by licensees and subdividers. Through the Audit Program, Department staff determines if the operations of real estate brokers or subdividers, as reflected in their business records, comply with the requirements of the Real Estate Law and the Subdivided Lands Law. In addition, the Audit Program reviews threshold mortgage loan broker annual and quarterly reports for possible trust fund handling violations and is responsible for the internal



audit function of the Department. It also acts as the Audit Resolution Liaison for all external audits of the Department by its control agencies, e.g., Department of Finance, Controller's Office, Bureau of State Audits, etc.

The Department has field auditors assigned to the Sacramento, Oakland, Fresno, Los Angeles, and San Diego offices. Audits performed are either investigative or routine. Investigative audits are initiated based on a complaint from the public or information received indicating probable violations by a licensee. Routine audits are performed, when resources allow, on randomly selected licensees engaged in real estate activities, primarily where the risk of financial loss to the public is high, e.g., mortgage loan brokers, property managers and broker escrows.

As to cost recovery, the Department may charge for those audits which relate to substantiating trust fund mishandling by a real estate broker provided the violation is subsequently proven at a disciplinary hearing, stipulated to by the licensee, or resulted in the issuance of a Desist and Refrain Order. The Department may also bill the licensee for follow-up compliance audits.

SUBDIVISIONS:

The principal state law regulating most sales (or leases) of subdivided land in California is the Subdivided Lands Law (Business and Professions Code Sections 11000 – 11200). This Law protects the public against fraud and misrepresentation in the sale or lease of subdivided land through the issuance of public reports which are disclosure documents provided to prospective purchasers of subdivision interests. In this regard, the Real Estate Commissioner is charged with the responsibility for adopting regulations to oversee the creation and marketing of subdivision interests. These regulations are found at Title 10 California Code of Regulations Sections 2790 – 2822.

Technical Unit

The Technical Unit (located at the Sacramento office) processes complex subdivision filings, including timeshares and undivided interest subdivisions.

Budget Review Unit

Department staff review and analyze proposed homeowner association budgets pertaining to maintenance and operational costs relative to common areas and facilities of common interest subdivisions.

LEGAL:

The primary duties of the Legal Section are to administratively prosecute violations of the Real Estate Law and the Subdivided Lands Law, file disciplinary actions, issue Desist and Refrain Orders and provide legal guidance to Department staff as to the provisions of the Real Estate Law.

Disciplinary actions are instituted by filing either a Statement of Issues to challenge an applicant's qualifications for licensure or an Accusation to seek the suspension or revocation of an existing license. These pleadings are then brought to trial in a formal adversary evidentiary hearing before an Administrative Law Judge. The hearings are conducted in accordance with the provisions of the Administrative Procedures Act. A Desist and Refrain Order is an administrative injunction issued to stop violations of either the Real Estate Law or the Subdivided Lands Law. Desist and Refrain Orders may be issued to either licensees or members of the public.

Recovery Unit

Currently, 12 percent of all license fees are paid into the Recovery Account. This money is then used to reimburse "aggrieved" members of the public who have obtained a civil judgment, arbitration award or criminal restitution order, based on intentional fraud, deceit, misrepresentation or conversion of trust funds in connection with a transaction in which the licensee (judgment debtor or criminal defendant) was performing acts for which a real estate license was required, and have been unable to fully collect on their judgment or order. To be eligible for payment, applicants must be able to prove that they have satisfied the requirements set forth in the Business and Professions Code. Applications for payment from the Recovery Account are filed with the Recovery Unit, which is part of the Sacramento Legal Section.

Successful applicants are able to recover up to \$20,000 per transaction of their actual and direct (out-of-pocket) losses in the transaction. The maximum liability of the Recovery Account is \$100,000 per licensee.

LEGISLATION AND PUBLIC INFORMATION UNIT:

The Assistant Commissioner for Legislation and Public Information organizes and directs the legislative activities of the Department and acts as the Department's principal legislative advocate. He is responsible for the Department's public information program and serves as the Department's media contact. He directs a staff involved in the preparation and dissemination of the quarterly "Real Estate Bulletin" and other Departmental publications, and in updating the Department's Web site policies and content.

Education and Research

Under the direction of the Assistant Commissioner for Legislation and Public Information, the Education and Research Section reviews continuing education courses and approves examination qualification courses offered by private schools. In addition, this Section administers a research program authorized under Section 10451.5 of the Business and Professions Code, which makes funds available to be used by the Real Estate Commissioner in the advancement of education and research in the field of real estate.

This section also provides administrative support to the Executive Office and Program Managers by pursuing special projects, as assigned.

ADMINISTRATIVE SERVICES:

Administrative Services consists of the Fiscal (Accounting, Budget, Business Services) Section, Information Systems Section, and Human Resources. All of these units provide support services to the Department's line programs.

Human Resources

Human Resources provides administrative support to the Department of Real Estate's line programs through support services such as recruitment and hiring, position classification, civil service examinations, employee discipline, labor relations, personnel transactions, employee benefits, training, employee counseling, equal employment and records and forms management.

The Human Resources Section is located in the Sacramento office.

Information Systems Section

The Information Systems Section (ISS) has as its primary mission to identify and conduct activities related to aligning the Department of Real Estate's business direction with emerging and proven technology solutions.

ISS is a multi-functional entity that provides for the development, maintenance, operations, and administration of the Department's information technology solutions. This includes the support of the Department's efforts in information processing, telecommunications, and office automation systems statewide.

ISS has staff located in the Sacramento and Los Angeles offices.

Fiscal Section

Management oversight of DRE's budget resources is facilitated by a centralized procurement methodology. With this methodology in place, DRE management assures that all acquisitions are appropriately approved and justified, procurement rules are observed, purchases are directly tied to approved strategic objectives, and financial limits are adhered to.

All fiscal operations as described below are located in the Sacramento Principal Office.

- Budgets

The DRE is administered in accordance with an authorized budget approved by the Administration and the Legislature. The Budget Section maintains financial data on DRE's individual programs which includes an itemized summary of expenditures and income for each fiscal year (July 1 – June 30). Based on this information, and with the input from the Managers of the major operating units within the DRE, fiscal projections and proposed budgets are developed.

- Accounting

The Accounting Section utilizes the CALSTARS Accounting System (State computerized accounting network) in managing the bookkeeping involved with DRE's business transactions. This Section is responsible for the preparation of financial statements concerning the assets and liabilities of the DRE. In addition, the Accounting Section is responsible for cashiering all money receipts, dishonored checks and publication sales and for making travel arrangements for DRE staff.

- Business Services

The Business Services Section manages the stockroom and is responsible for, 1) providing supplies to DRE staff, 2) maintaining inventory statewide, 3) purchasing minor and major equipment, 4) arranging reproduction orders, including agreements with General Services and the State Printing Plant, 5) shipping and receiving, 6) sorting and delivering mail, and 7) facilities management.

- Reports and Contracts

The primary responsibilities for Contracts include assuring contract procurement compliance and contract execution. In addition, the creation and management of the majority of the statutorily required Departmental reports, including the Operations Recovery Plan and Risk Management Report, are performed within this role.

- Information Security Officer (ISO)

The ISO is a member of the DRE's Security Assessment Team and is responsible for:

- 1) Ensuring timely notification when information security incidents occur.
- 2) Filing an Information Security Incident Report with the appropriate authorities after discovery of an incident.
- 3) Participating in the incident handling processes as necessary.
- 4) Assuring ongoing compliance with user security updates.
- 5) Performing oversight of security log archiving.
- 6) Reviewing security logs for possible intrusions, breaches, or suspect access.
- 7) Providing assistance or guidance with training programs to teach users how to avoid security incidents.

STRATEGIC PLANNING CONCEPTUAL FRAMEWORK

Strategic planning is a long-term, iterative, and future-oriented process of assessment, goal setting, and decision-making that maps an explicit path between the present and the vision of the future. It includes a multi-year view of objectives and strategies for the accomplishment of the Department's goals as well as its Performance Improvement Initiatives, as determined through an interactive process with the Business, Transportation & Housing Agency.

Clearly defined outcomes and outputs provide necessary targets for measuring program performance and are important considerations in future planning, resource allocation, and operating decisions. The strategic planning process incorporates and sets direction for all departmental operations.

METHODOLOGY STATEMENT

The Department's Executive Staff meets annually to develop the Strategic Plan over a period of three or four months. Open discussions of the existing environment, technology issues, current assumptions, projected challenges and desired outcomes lead to the final plan. Prior to the initiation of this process, each program manager polls his or her staff to ascertain internal assessments and direction for the future. Input is also sought from various industry trade associations with whom the DRE interacts.

DRE includes the following considerations when assessing strategic and operational performance measures:

- implementing updated, enhanced, and cost effective technology capabilities.
- maximizing results through internal efficiencies and operational reforms.
- redirecting workforce and workload to stabilize and improve processing timeframes.
- maintaining a prudent fee structure and reserve fund balance.
- striking a proper balance between consumer protection and regulation of business.
- promoting effective communication and education.
- exploring opportunities for collaborative initiatives with industry, business, and government partners to leverage cost and implement objectives.
- responding to the needs of industry and consumers.

A successful strategic planning process provides benefits to the Department as well as those affected by its operations.

MISSION

To protect the public in real estate transactions and provide related services to the real estate industry.

PURPOSE

To be a more effective customer focused department providing timely and efficient services to licensees and subdividers while protecting the public.

PRINCIPLES

The Department of Real Estate's governance is structured with core values that promote independence and balance between its two distinct mission responsibilities. These values preserve the integrity of DRE's operational obligations, assure coordination and cooperation between the operating programs, engage the Department's stakeholders, and foster an environment that supports the professional development of its staff.

The Department's primary responsibility is to the public as a consumer protection agency. As government is not able to guarantee a risk-free marketplace, the Department acts in concert with other governmental agencies, education providers, and community organizations to enhance its enforcement and consumer awareness efforts to lessen the risk of loss to consumers in real estate transactions. In this regard, consumer and licensee information as well as education are regarded as important operational elements. Through consumer education, the public is better able to make more informed decisions and protect themselves to the extent they are able. By educating its licensees, the Department helps ensure that they are aware of their legal responsibilities, as well as their obligations to their clients. By approaching the Department's principal responsibilities from the multiple avenues of education and enforcement, DRE maximizes the effectiveness of its consumer protection efforts.

In its role as an industry service provider, the Department undertakes strategic planning disciplines that result in the identification of objectives intended to have a direct benefit to the consumer, the State, the real estate industry, subdivision development businesses, and timeshare commerce.

The Department of Real Estate, like all other state agencies, is challenged to manage increasing workloads and responsibilities. To meet these demands, DRE continues to seek efficiencies in programs and activities, and to use technology, partnerships, and common-sense solutions to make doing business with DRE on all levels more transparent.

VISION

DRE's vision for the future is focused upon adopting innovations that will create new standards of excellence in service offerings and consumer protection by:

- satisfying the needs of a competitive and prudent real estate marketplace.
- providing licensing, subdivision qualification and consumer related services more conveniently and timely.
- expanding the knowledge base and contributions of DRE staff.
- improving the accessibility to information that is progressive and secure.
- expanding consumer education to facilitate the making of informed decisions in real estate transactions.
- adapting to the changing business environments of the real estate industry.
- providing leadership in housing in California.
- incorporating technology in its process to better serve the industry and the public.

INTERNAL/EXTERNAL ASSESSMENT

The assessment of internal and external factors that influence the Department facilitates DRE's recognition of current and future issues which may affect operations and results. This assessment pinpoints the major issues affecting the Department during this planning process timeframe.

EXTERNAL ENVIRONMENT

FISCAL CHALLENGES

The primary revenue source for the Department are the fees collected in conjunction with obtaining a real estate license, i.e., exam scheduling fees and license application fees. Because of the high volume of examination and license applications, an increased licensee population, and a heightened level of subdivision filings, a fee reduction was implemented in the 2003/04 fiscal year to comply with the statutory reserve restrictions that existed at that time. Through the legislative process, the reserve restrictions have since been revised, which should afford the Department the opportunity to maintain a prudent level of reserves and at the same time accumulate a sufficient reserve base to fund future technology projects. With the department's current revenue flow and the high level of interest in real estate licensure, a fee adjustment is not anticipated in the near future. The Department's ongoing challenge, however is to accurately project the level of demand for real estate licensure. This is critical to the Department's fiscal and personnel planning. The fact that the real estate market can be quite volatile and has a direct influence on real estate licensing, makes this process even more challenging.

As to fiscal tracking, the Department monitors items of expense as well as revenue and reserve fund balances on an ongoing basis, providing reports to the Program Managers at monthly financial briefings. More detailed reports are provided to the Program Managers on a quarterly basis. Additionally, projected expenditures are analyzed and provided to the Assistant Commissioner of Administration and the Chief Deputy Commissioner on at least a quarterly basis to assure appropriate allocation of financial resources. Revenue and reserve analysis reports are also routinely provided to the real estate industry.

The Department anticipates future fiscal challenges in balancing its fee structure and reserves as conditions change in the real estate marketplace, which affect both housing and the licensee population. Also, the future repayment of the reserve funds which were previously loaned to the State's General Fund will need to be addressed.

MARKET INFLUENCES and WORKLOAD

Due to the current favorable real estate market, interest in real estate licensure and new home development has increased significantly. DRE's workload mirrors the real estate market, resulting in increased activities and workload across all Program areas.

Fiscal/Accounting:

The Fiscal Section has experienced an increase of 77 percent in credit card transactions from FY 01/02 to FY 03/04. This mirrors the increased use of the eLicensing system to conduct examination and license transactions.

Licensing and Examinations:

- Comparing fiscal year 01/02 to 03/04, salesperson exams are up 108 percent, broker exams increased 91 percent, salesperson licenses issued rose by 65 percent, while broker licenses issued increased by 43 percent.
- The overall licensee population has increased approximately 39 percent from the 01/02 fiscal year to the 03/04 fiscal year.

Enforcement/Legal:

The Enforcement Section has experienced a 25 percent increase in the number of cases assigned for investigation over the past three years. The cases include license applicant background checks, consumer complaints, licensee background follow-up, and investigations into unlicensed activities.

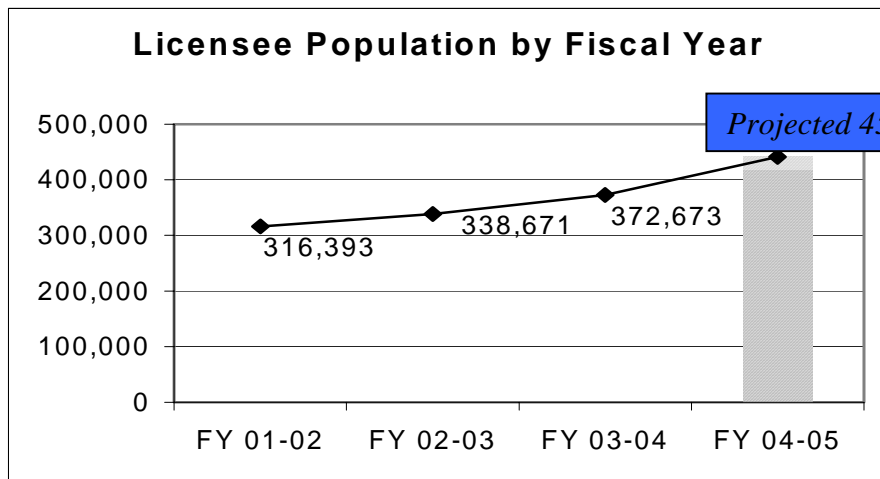
Once warranted by Enforcement investigations, the Legal Section pursues prosecution of those licensees who violate the Real Estate Law. In conducting this procedure, licensees are afforded full due process and the DRE adheres to the requirements set forth in the Administrative Procedure Act. The number of cases forwarded to the Legal Section by Enforcement for disciplinary action has increased by 99 percent over the past three years.



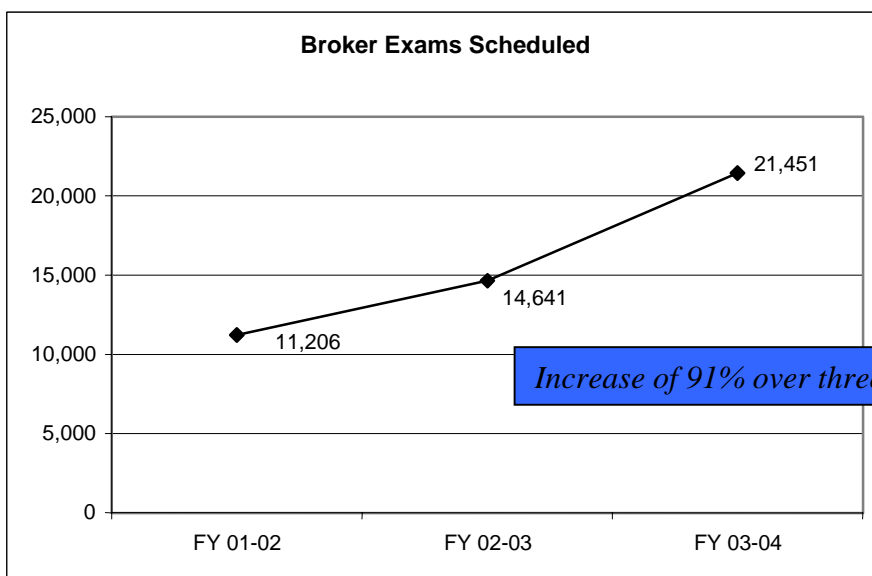
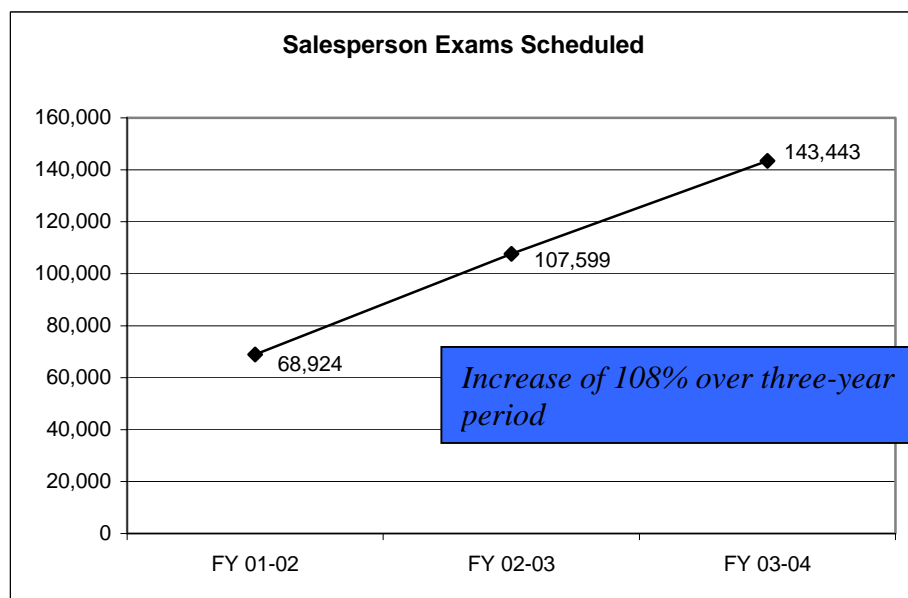
Subdivisions:

The number of subdivision applications received over the past three years has increased approximately 28 percent and shows no sign of decline.

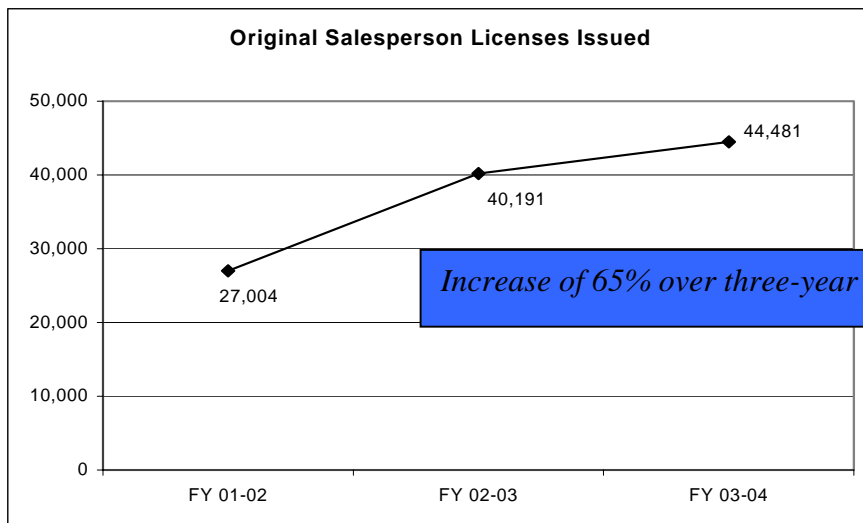
The following charts depict the significant increase in workload the department has experienced over the past three fiscal years:



DRE scheduled 72,458 salesperson examinations from July 1, 2004 through December 31, 2004.



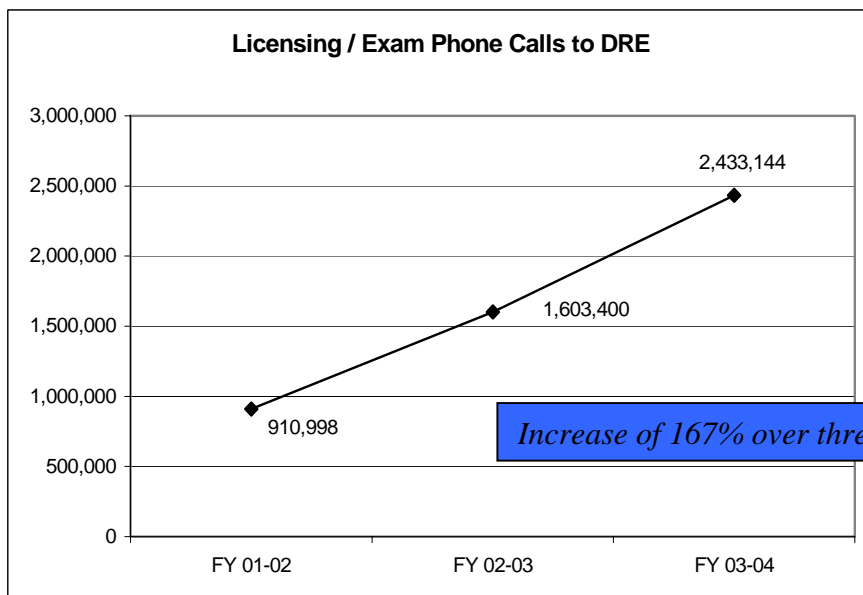
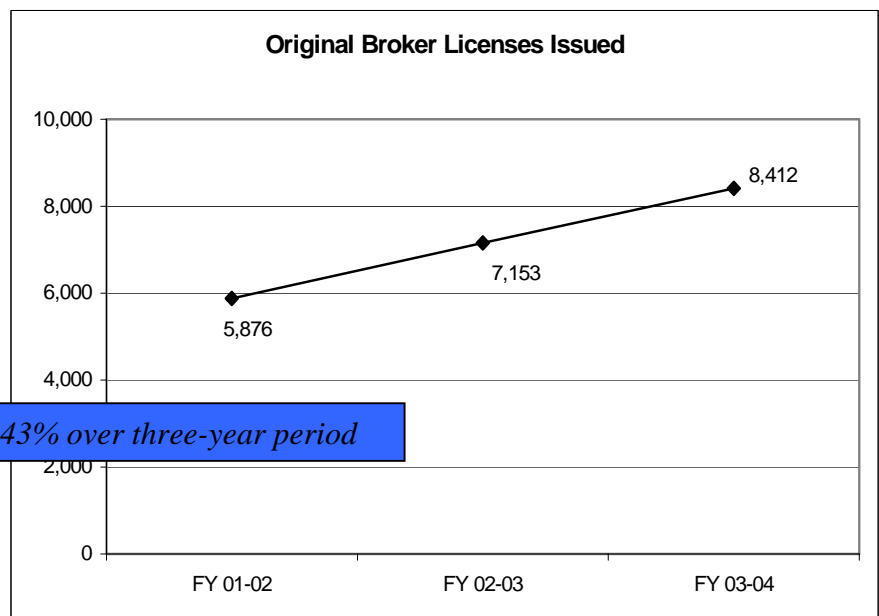
DRE scheduled 9,191 broker examinations from July 1, 2004 through December 31, 2004



DRE issued 26,762 original salesperson licenses from July 1, 2004 through December 31, 2004

Note: 86% renewal rate

DRE issued 5,332 original broker licenses from July 1, 2004 through December 31, 2004.



In addition, the DRE District Offices answer approximately 113,363 telephone calls and 14,000 walk-in customers annually.

STAFFING

With the support of the Secretary of the Business, Transportation & Housing Agency as well as the Administration, the Department was authorized to hire temporary staff, examination proctors, and fill vacant positions to address workload demands. Additionally, in the preceding fiscal year, the Department successfully pursued a budget authorization for additional positions which helped address the unprecedented volume of workload.

ENFORCEMENT/LEGAL/AUDITS:

A major trend in the real estate brokerage industry is increased concentration. Corporate franchising, acquisition of related industries and the goal of “one-stop shopping” is changing the industry into a more managed enterprise. Through corporate control and greater capitalization, it is expected that increased levels of internal compliance will be achieved. Nevertheless, the Department does not anticipate any significant reduction in enforcement workload as licensee misconduct will always be a part of the industry to varying degrees. Also, it is expected that with the expansion of eCommerce and the virtual office concept, Internet and mortgage loan brokering fraud will occur with increasingly complex cases commanding a significant portion of the Department’s resources. Additionally, the diversity of the State’s population is a component which needs to be addressed through appropriate enforcement and education efforts. Further, the favorable real estate market has helped promote the expansion of many real estate operations. If the market should decline, there is concern that potential business failures may lead to violations of the Real Estate Law.

SUBDIVISIONS:

New housing in the state is expected to maintain or moderately increase its current level of growth. The rise or fall of interest rates will continue to play an important part in the housing market in the next fiscal year. In this regard, the Subdivision program will make every effort to maintain file processing times within 50 percent of the statutory mandated timeframes.

The DRE currently meets with the California Building Industry Association (CBIA), three times a year to discuss subdivision processing goals, procedures and processes. These meetings provide a beneficial forum to address issues of mutual concern and explore new opportunities in subdivision development.

DRE will have similar meetings with the American Resort Development Association (ARDA) within the next fiscal year. These meetings will be particularly helpful in implementing AB 2252 – “The Vacation Ownership and Timeshare Act of 2004,” which rewrote the existing timeshare regulatory scheme to reflect current business practices and standards of operation. The new Timeshare Act will become effective July 1, 2005. New procedures, forms and regulations will be needed to implement the new qualification framework and communication with industry on these issues will be a key success factor in the transformation.

CUSTOMER SERVICE

In as much as performance measurement is directly related to customer service standards and customer satisfaction, DRE will continue to make reasonable efforts in assessing clientele

approval levels. These efforts include surveys, industry meetings, such as the DRE Forums, and conferences wherein specific performance feedback will be received. The analysis of these indicators will be measured against DRE's objectives as a factor in determining their successful accomplishment.

INTERNAL ENVIRONMENT

TECHNOLOGY

The Department will continue to focus its technology endeavors on achieving positive results by targeting and implementing solutions that support the identified business objectives, measuring performance through a balanced scorecard model aligned with the DRE's performance goals and measures, and managing performance to meet service level agreements, expectations and the overall departmental goals.

E-Government is important to the Department not only because it recognizes the valuable uses of the Internet to deliver government services, but also because it brings DRE closer to its customers and stakeholders while improving operational efficiency. The Department's eLicensing system is instrumental in providing information to consumers and improved service offerings to the real estate industry, while protecting individual privacy.

The Department will continue to pursue applicable advances in technology to improve its services and increase departmental efficiencies through a variety of means which incorporate appropriate consolidated state service offerings.

CONSUMER PROTECTION

The Department acknowledges the importance of enhancing its efforts to educate consumers on the homebuying/selling process as well as to increase their awareness of inappropriate actions which can lead to real estate fraud. Towards this end, the Department explores methods to increase exposure of critical information to consumers, including the distribution of educational videos and guides, consumer brochures and information, as well as the expansion of the consumer educational materials which are posted on the DRE Web site. Many of these offerings are made available in a variety of languages as the non-English proficient public is often the most vulnerable.

ACCOUNTABILITY

The Executive Management of the Department has placed a strong emphasis on program assessments of reasonable performance targets through review of current department baselines, enhanced by new strategic objectives, and followed by periodic progress monitoring. With the development of each new strategic plan, the Department charges its programs to reassess and develop goals with specific targets and accountability for achieving the desired results. Each program has initiated ongoing processes to track performance beginning with the evaluation of existing, as well as the creation of new performance metrics, to create suitable metrics in line with the Department's operational priorities.

WORKFORCE

In 1992, DRE had 411 total authorized positions and approximately 375,000 licensees. Today, DRE has 303 total authorized positions and approximately 440,000 licensees (an increase of 75,000 licensees supported by 108 fewer positions) and the same level of responsibilities.

The Department will continue to analyze its staffing and refine its workforce plan which addresses short-term needs as well as the long-term issues of experienced staff losses due to retirements. The Department's workforce plan not only addresses the ongoing need for adequate staffing and training, but the need for experienced employees to mentor their potential successors.

STRATEGIC GOALS

1. Enhance consumer awareness and protection.
2. Assess and improve services.
3. Improve operations through the use of automation and technology.
4. Promote workforce excellence.

STRATEGIC PLANNING AND PERFORMANCE

Following established best practices for planning, the Department recognizes the necessary relationship between strategic planning, allocation of resources, and performance measurement. This document includes a multi-year view of the strategies for the accomplishment of DRE's objectives and goals. The following charts depict DRE's strategic planning and performance processes.

MONITORING PERFORMANCE

To monitor overall progress and performance, the Commissioner and the Chief Deputy will conduct meetings, as necessary, with each of the program managers who are responsible for carrying out the stated objectives.

SUMMARY OF OBJECTIVES

GOAL 1: ENHANCE CONSUMER AWARENESS AND PROTECTION.

Goal 1 is linked to the following objectives of the DRE Strategic Plan:

- Regulatory review for Enforcement and Mortgage Brokering
- Study feasibility of implementing an immediate license revocation procedure
- Create a compliance manual and checklist for mortgage loan brokers
- Revision of the Subdivision Public Report format
- Update the HOA Operating Cost Manual
- Develop Guidelines for Tenancy-in-Common subdivisions
- Develop Guidelines for Non-Equity Club timeshare projects
- Identify appropriate audit risk factors and prepare a risk-focused plan
- Evaluate Audit Section staffing needs
- Refine web-based timeshare consumer information
- Update the *Reference Book – A Real Estate Guide*
- Outsource the revision of the *Disclosures in Real Property Transactions* publication
- Identify future Education and Research projects
- Determine the need for student and instructor guides for CID course.
- Update the *HOA Reserve Study Guidelines* publication.

GOAL 2: ASSESS AND IMPROVE SERVICES.

Goal 2 is linked to the following objectives of the DRE Strategic Plan:

- Expand real estate license testing facilities and examination access
- Design and implement new real estate license certificate
- Streamline Flag Section procedures
- Functional Integration IT support
- Licensing IVR system upgrade
- Electronic examination project

- Promote the use of the Internet
- Improve customer experience and service
- Study current and projected staffing needs of the Enforcement Section
- Feasibility of outsourcing court document retrieval
- Study the overall investigative process to identify methods to improve efficiency
- Track and assess Enforcement Section services
- Study current and projected staffing needs of the Legal Section
- Feasibility of providing legal representation to the Office of Real Estate Appraisers
- Feasibility of amending the laws to obtain civil and criminal enforcement authority for DRE and OREA
- Maintain the Subdivision processing timeframes at 50 percent of the statutory mandate.
- Study the feasibility of implementing electronic subscriptions to the *Mortgage Loan Bulletin* and *Subdivision Industry Bulletin*.

GOAL 3: IMPROVE OPERATIONS THROUGH THE USE OF AUTOMATION AND TECHNOLOGY.

Goal 3 is linked to the following objectives of the DRE Strategic Plan:

- Operational assessment and improvement of IT services
- Annual EIS efficiency reviews/user group feedback
- Annual Information Technology (IT) security review
- Implement a DRE digital library
- IT Infrastructure upgrade project
- Promote a more paperless environment
- Enhance enterprise use of business systems
- Business machine replacement project
- Re-engineer legal support work processes.
- Revise and implement computerized *Mortgage Loan Broker Audit Working Papers*.
- Implement recommended items for streamlining Audit operation procedures
- Study the feasibility of video web streaming on the DRE's Web site and Intranet.
- Study the feasibility of a pilot program for electronic submission of timeshare applications.
- Revise and implement computerized *Property Management Audit Working Papers*.
- Revise and implement computerized *Subdivision Audit Working Papers*.

GOAL 4: PROMOTE WORKFORCE EXCELLENCE.

Goal 4 is linked to the following objectives of the DRE Strategic Plan:

- Annual IT workforce management assessment
- Workforce planning update for the Department of Real Estate
- Develop enforcement deputy training program
- Update timeshare manual
- Revise Auditor training material

